

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CAMPAIGN & POLITICAL FINANCE

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April 3, 1997
AO-97-08

Gerald W. Lange, Esq.
12 Granite Street
Wellesley, MA 02181

Re: Establishment of political action committee to support
both federal and state candidates

Dear Mr. Lange:

This letter is in response to your March 10, 1997 request
for an advisory opinion.

You have stated that you would like to establish a
"political action committee" to support both federal and state
candidates. The committee would maintain two separate
accounts, one for state candidates and the other for federal
candidates. The state account would abide by Massachusetts
contribution limits when soliciting money for or contributing
to state candidates.

Question

Does the campaign finance law permit the establishment of
such a fundraising entity?

Answer

Yes, but you must create two separate committees. You
could name the committees "The ABC political action committee -
federal account" and "the ABC political action committee -
state account."

Discussion

The Massachusetts campaign finance law, M.G.L. c. 55, does
not regulate campaign finance activity at the federal level and
is limited to regulating campaign finance activity in state,
county and municipal elections. See AO-89-14. Political
committees that are involved only in federal campaigns must
comply with the disclosure and limitations of the federal law
rather than with the Massachusetts campaign finance law.

Therefore, you would need to establish two separate
committees. Only the second account (i.e., the committee
organized to support Massachusetts candidates) must organize

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with OCPF as a separate political committee and comply with the disclosure requirements and limitations of the Massachusetts campaign finance law. Funds given by contributors to support Massachusetts candidates must be deposited in the state account and must be kept segregated from funds given for the purpose of supporting federal candidates.

The federal account (i.e., the federal committee) would be required to comply with federal rather than Massachusetts campaign finance law. You should contact the Federal Election Commission at 1-800-424-9530 for information on how to organize the federal committee.

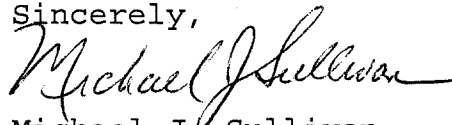
As you have recognized, the limitations on contributions to PACs differ depending on whether a PAC is organized to support Massachusetts as opposed to federal candidates. In Massachusetts, for example, an individual's limit is \$500 during any calendar year. See M.G.L. c. 55, s. 7A. In addition, the Massachusetts campaign finance law strictly prohibits business corporations from "giving, paying, expending or contributing any money or other valuable thing directly or indirectly for the purpose of aiding, promoting or preventing the nomination or election of any person to public office." See M.G.L. c. 55, s. 8. In addition, Massachusetts PACs must comply with expenditure limitations. See M.G.L. c. 55, s. 6 and 970 CMR 2.00.

For these reasons, care should be exercised to ensure that the two accounts which you create are strictly segregated.

This opinion has been rendered solely on the basis of representations made in your letter and is limited in scope to providing guidance within the context of M.G.L. c. 55.

I have enclosed a campaign finance guide for Political Action Committees and People's Committees, as well as forms and other information for you to use in registering the Massachusetts PAC. Please do not hesitate to contact this office should you have additional questions about this or any other campaign finance matter.

Sincerely,



Michael J. Sullivan
Director

MJS/cp
Enclosures